

## **REMARKS**

### **Claim Status**

Claims 1-25 are pending in the Application. Entry of the amendment is respectfully requested. No new matter has been added. Reconsideration is respectfully requested.

Claims 5-9 were rejected pursuant to 35 U.S.C. § 112, second paragraph.

Claims 1-6 and 23-24 were rejected either pursuant to 35 U.S.C. § 102(e) over Lester (US 6,021,392), or pursuant to 35 U.S.C. § 103(a) over Lester and Colella (US 6,003,006).

Claims 7-9 were rejected as obvious pursuant to 35 U.S.C. § 103(a) over Lester and Colella.

Claims 10-22, and 25 were held withdrawn from consideration by the Office.

### **The 35 U.S.C. § 112, Second Paragraph, Rejection**

The Applicants respectfully disagree with the assessment of the claim 5 language. Claim 5 does not limit all "use" to the time frame after stocking, as alleged. Further, the statement in the Action that the "use" of the term "use" is unclear is itself unclear. It is unclear how a term can be applied in a sentence which alleges the same term as unclear.

Nevertheless, claim 5 has been amended by adding "further" to eliminate any issue of indefiniteness. Applicants respectfully submit that the claims meet the requirements of 35 U.S.C. § 112, second paragraph. Thus, it is respectfully submitted that the 35 U.S.C. § 112, second paragraph, rejections should be withdrawn.

### **The Allegation Of Admitted Prior Art**

As best understood, the Action in the "Note Regarding Examination" section is referring to a "statement" made at page 3, lines 15-16 of the Office Action dated March 9, 2004.

Applicants respectfully disagree that they consider the "statement" made by the Office to be admitted prior art. First, under the Administrative Procedure Act the standard of review to be applied to findings is the "substantial evidence" standard. That is, rejections are to be based on "concrete evidence in the record," not mere assertions (as in the statement). An assertion of Official notice of facts is to be rare and must be capable of instant and unquestionable demonstration. Second, the "statement" was not an assertion of "Official notice," but rather a mere statement (as acknowledged by the Office). Nevertheless, Applicants still traversed the statement (i.e., pag 23, lines 1-10 of the Response filed May 27, 2004). Thus, the allegation that Applicants admitted to prior art is without merit.

The burden is not on an Applicant to prove that an Examiner's statement of allegation is not prior art. Statements of allegation aren't prior art. Rather, the burden is on the Examiner to provide actual evidence that supports any rejection made. Determinations of patentability must be based on concrete evidence of record, especially evidence that is capable of judicial review. Otherwise, the Office is legally required to issue a patent.

### **The 35 U.S.C. § 102/103 Rejections**

Lester does not teach or suggest the recited features for reasons similar to those already discussed with regard to Colella in the Response filed May 27, 2004, herein incorporated by reference. For example, where does Lester teach or suggest step (b) of claim 1? The Action relies upon Lester at col. 11, lines 1-12 for allegedly teaching step (b). The Applicants respectfully disagree.

According to step (b), data corresponding to each type of medical item and its corresponding storage location *in the pharmacy* is stored in a data store. Lester/Colella does not teach or suggest a data store including data corresponding to each type of medical item and its corresponding storage location in a pharmacy. Where does Lester/Colella teach or suggest storing data on storage *locations* within a pharmacy? Further, where does Lester/Colella even teach or suggest pharmacy storage *locations*?

The Action refers to Lester's shelf labels in Figure 14. However, there is no evidence that these shelf labels are used in a pharmacy. Even if it were somehow possible, the labels are used "to identify shelf stock" (col. 14, lines 41-42; Figure 14), not to identify a pharmacy storage location. Figure 8 (part 3) further teaches against using labels to identify a pharmacy storage location. Additionally, Lester (like Colella) desires to minimize pharmacy inventory (col. 6, line 64 to col. 7, line 3), which inherently results in a small pharmacy. This further points to Lester/Colella having no need to identify storage locations. Thus, Lester/Colella teaches away from the recited invention.

For further example, where does Lester/Colella teach or suggest step (g) of claim 1? The Action (at page 5, first paragraph) alleges that "since the [system of Lester] automatically tracks inventory . . . the amount sent to the DDM and the [amount] used must be compared." The Applicants respectfully disagree.

Step (g) includes comparing the "taking" data (step d) and the "use" data (step f). The Office has provided no evidence that Lester's tracking system includes comparing data representative of "taking" a first quantity (of a first medical item type from its pharmacy storage location) to data representative of "use" of a second quantity (of the first medical item type at a second location or activity). Where does Lester *compare* a first quantity of a drug type taken from the pharmacy to a second quantity of the drug type actually used at a drug dispensing machine (18)? Where is Lester concerned about ensuring the quantity of a drug between (withdrawn from) the pharmacy and (used at) a drug dispensing machine, especially by comparing quantities? At best, Lester teaches comparing the drug quantity already existing at a drug dispensing machine (18) to a minimum threshold quantity for that drug for purposes of placing a purchase order (col. 13, lines 2-9). As the Office correctly admits (at Action page 5, second paragraph), Lester/Colella does not teach or suggest the recited invention.

The Action's reliance on the "notoriously old and well known" assertion for recited step (g) is without merit. If the feature is so old and capable of instant proof as alleged, then why hasn't a prior art teaching been provided. Even though the Examiner has not presented an "Official notice," Applicants challenge the allegation that the recited step (g) is well known. Applicants request evidence of a prior art teaching that can "compare the amount in and the amount out in order to prevent loss," especially one *including* "comparing through operation of at

least one processor at least a portion of the data included in the data store in step (d) and in step (f)" (claim 1, step g).

Also, even if it were somehow possible for the Office to show that it was well known to "compare the amount in and the amount out in order to prevent loss," such a comparison would be a far cry from the unique medical item quantity data comparing in step (g).

As previously discussed, under the Administrative Procedure Act the standard of review to be applied to findings is the "substantial evidence" standard. That is, rejections are to be based on "concrete *evidence* in the record," not mere assertions (as in the current situation). The Action's failure to specifically indicate the presence of the recited claim features in a prior art reference constitutes Agency Action under the Administrative Procedures Act *admitting* that the references do not meet the recited claim features.

Furthermore, pursuant to 35 U.S.C. § 103 the Office bears the burden of *establishing* that all the recited features are known in the prior art. If the Office does not establish a *prima facie* case (as is the current situation), then the Applicants are under *no* obligation to submit evidence of nonobviousness. MPEP § 2142.

The attempts to modify Lester are clearly attempts at hindsight reconstruction of Applicants' claimed invention, which is legally impermissible and does not constitute a valid basis for a finding of obviousness. *In re Fritch*, 22 USPQ2d 1780 (Fed. Cir. 1992). The rejections, which lack the necessary evidence and rationale, are based on knowledge gleaned only from Applicants' disclosure.

Lester does not anticipate the claims. Nor is there is any teaching or suggestion in Lester/Colella that one of ordinary skill in the art would be motivated to modify the Lester reference to produce the claimed invention. As previously discussed, Lester/Colella teaches away from the recited invention. It follows that the Action does not factually support any *prima facie* conclusion of obviousness. It would not have been obvious to one having ordinary skill in the art to have modified Lester as alleged to have produced the recited invention.

For reasons of brevity the Applicants have not necessarily presented all of the reasons as to why the applied references do not anticipate or render obvious claim 1. Applicants reserve the right to later present additional reasons. Nevertheless, Applicants' arguments show that when the invention is taken as a whole, Lester/Colella does not teach or suggest the claimed method. Similar arguments can be made for independent claims 24 and 25, each of which are allowable for the same reasons.

### **The Dependent Claims**


Each of the dependent claims depends directly or indirectly from an independent claim. Thus, it is asserted that the dependent claims are allowable on at least the same basis. Furthermore, each of the dependent claims additionally recites specific features and relationships that patentably distinguish the claimed invention over the applied art. Lester/Colella does not teach or suggest the features and relationships that are specifically recited in the dependent claims. Thus, it is respectfully submitted that the dependent claims are further allowable due to the recitation of such additional features and relationships.

**Conclusion**

Applicants respectfully submit that this application is in condition for allowance.

The undersigned is willing to discuss any aspect of the Application by telephone at the Office's convenience.

Respectfully submitted,



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